

ARTICLE APPEARED
ON PAGE E13

THE WASHINGTON POST
22 July 1982

JACK ANDERSON

Arab World's Iraqi Backers Hedging Bets

Even as Iranian troops renewed their attack upon Iraqi forces last week, secret intelligence assessments had convinced some American analysts that Iraqi dictator Saddam Hussein's days were numbered.

A classified intelligence report, quoting Iraqi sources, claims that Hussein's principal financial backers, Saudi Arabia and Kuwait, have cut back the flow of funds that prop up his shaky regime. If the report is accurate, this would mean that wealthy Arab nations are hedging their bets in case the Ayatollah Khomeini succeeds in his avowed determination to oust Hussein from power.

What worries the Saudis and Kuwaitis is the prospect of Khomeini's Shiite Moslem militancy spreading into their own Sunni Moslem territory. That's what led them to funnel their petrodollars to Hussein; though no friend of the moderate Arab states, he was regarded as a necessary evil to thwart Khomeini's revolutionary ambitions throughout the Persian Gulf.

The Saudis have special reason for concern about Khomeini: their Shiite Moslem minority is concen-

trated in the country's vital oil-producing region. In two years, the Saudis alone spent \$20 billion to bolster their Iraqi buffer.

The importance of this financial aid was obvious. Hussein had pretty well wrecked Iraq's economy by his costly and disastrous invasion of Iran two years ago. But to prevent widespread discontent in the wake of his army's humiliating defeat, he could not afford to cut back on government spending. Like the Roman emperors, he had to offer the populace bread and circuses to buy their loyalty.

U.S. analysts have begun to reassess their longstanding faith in Hussein's political survival skills. Administration sources told my associate Lucette Lagnado that the prevailing intelligence assessment was that Khomeini would carry out his vendetta against Hussein with an invasion, which would succeed in ousting Hussein.

Like Saudi Arabia, the United States has been motivated by coldly practical considerations in its hope that Hussein would survive yet again. Certainly no one is arguing that the Iraqi dictator is a desirable ally. Even among Middle East tyrants, he acquired a reputation for brutality. He ruled by the gun, and reportedly was not averse to using his own pistol to dispatch his enemies.

The Reagan administration's "worst-case scenario" in Iraq has

Hussein being replaced by a regime of Shiite Moslems, who make up the majority of the population. Allied with Khomeini's Shiites, the new Iraqi regime could spread its revolutionary virus to Saudi Arabia and other moderate Arab states in the Persian Gulf. This scenario spells disaster for U.S. interests in the region.

This alarming scenario is obviously the worst case imaginable for the Saudis. So in hopes of avoiding offense to Khomeini, they stopped sending their oil billions to Hussein.

Footnote: I reported on July 5 that "factions in Iran want to mount a military invasion to punish the Iraqis for the devastation they wrought in Iran," that this "conflict could go up in flames, with consequences more dangerous than the chaos in Lebanon" and that "revolution could spread to the neighboring Arab states." Time magazine reported the same story a full week later and was credited by the wire services with predicting the Iranian invasion.